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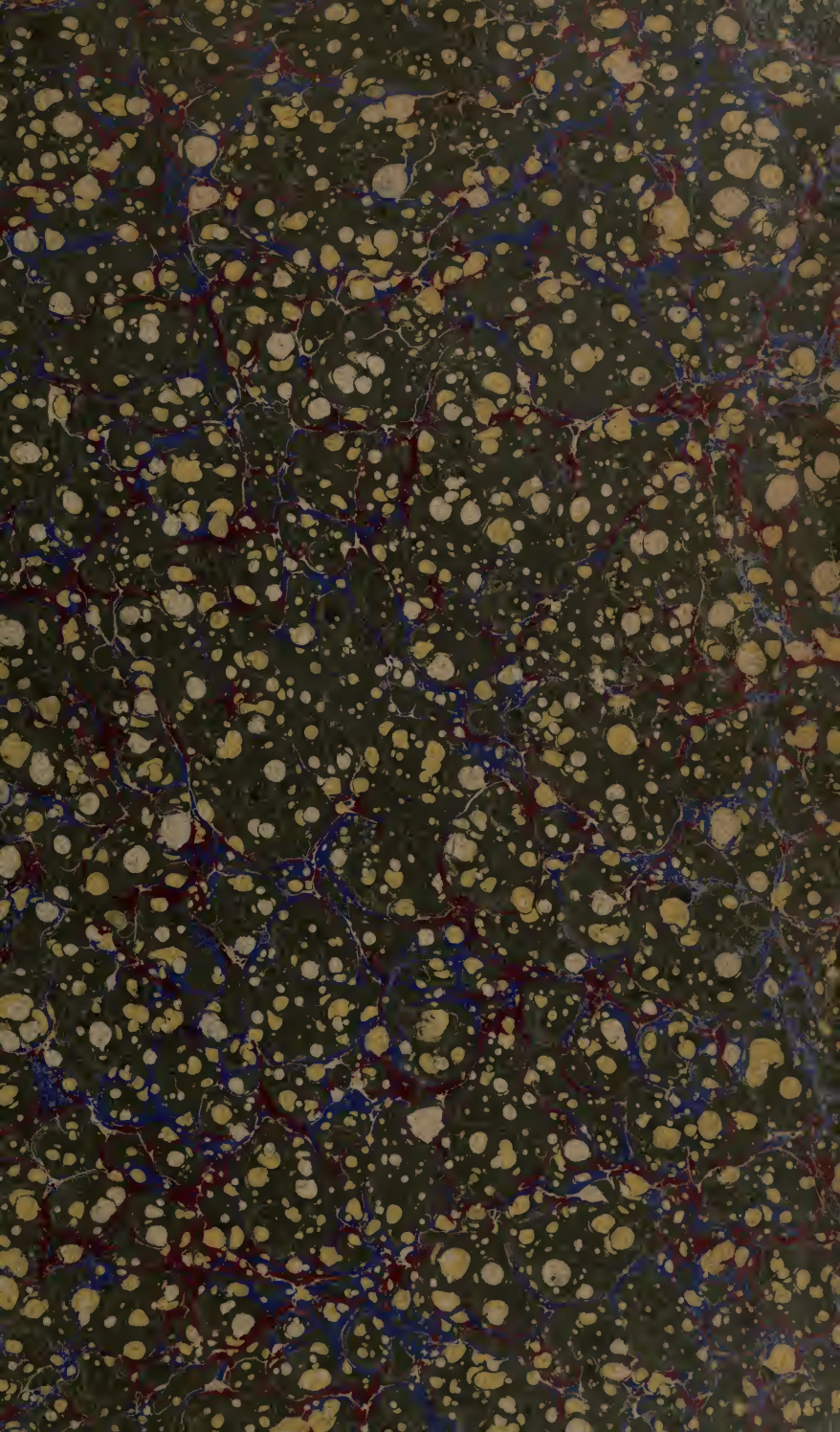


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PROSPERITY UNDER THE PROTECTIVE POLICY

ARE "OUR PRESENT TARIFF LAWS VICIOUS,
INEQUITABLE, AND ILLOGICAL?"

SPEECH

OF

Hon. HENRY M. TELLER

OF COLORADO,

ON THE

PRESIDENT'S MESSAGE,

IN

THE SENATE OF THE UNITED STATES,

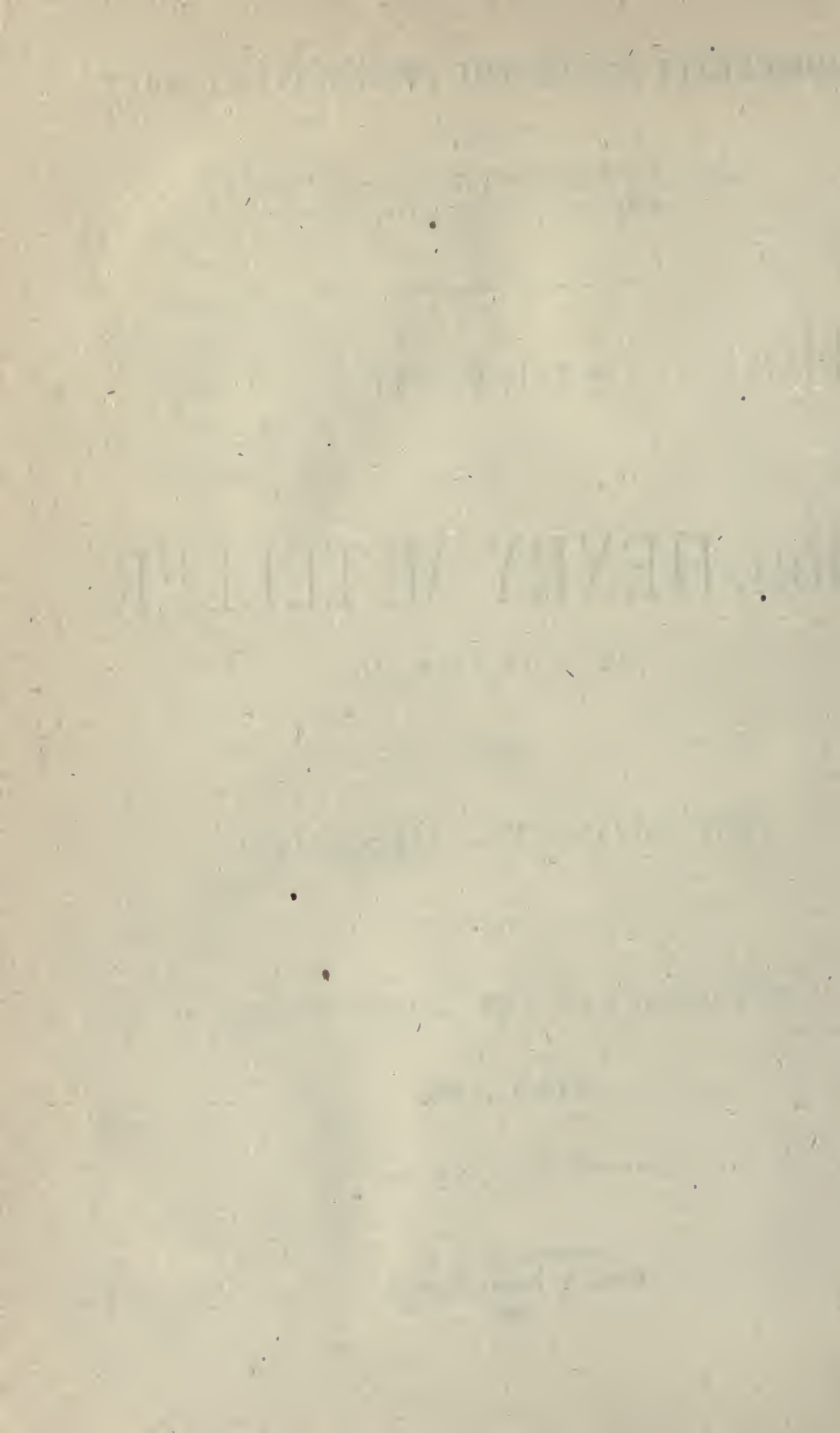
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Prosperity Under the Protective Policy.

SPEECH

OF

Hon. HENRY M. TELLER.

The Senate having under consideration the resolution submitted by Mr. SHERMAN December 19, 1887, to refer the President's annual message to the Committee on Finance—

Mr. TELLER said:

Mr. PRESIDENT: I shall endeavor not to detain the Senate at any very great length, as what I shall have to say will not be in the nature of a general discussion of theoretical propositions, but will be rather a presentation of facts which illustrate and bear upon the issue presented.

At the commencement of this session the President of the United States sent a rather remarkable document to the Senate and House of Representatives; it was called his annual message, but it was devoted exclusively to the question of import duties and a reduction of the surplus revenues of the country. There has been since that time considerable discussion in the Senate over this message, and, it seems to me, on the part of the friends of the Administration, a disposition to avoid the real issue presented by the President.

Although we have been told by all on the other side of the Chamber who have spoken on the subject that the message was one of great ability and entitled the Executive to great praise at the hands of the people for the courageous manner in which he had presented this matter to the public, yet I believe, without a single exception, all who have spoken in defense of the Administration and in accordance with the views of the Executive have attempted to make it appear that it is not the kind of message that the President himself evidently intended it should be, and that everybody outside of official circles in this country and abroad has declared that it was.

It will not do for the friends of the Administration to assert that this is an attempt on the part of the Executive and his adherents to modify, revise, or correct the tariff. No such intent on the part of the President can be gathered from his message, no such intent can be supposed or has been supposed by the people who are directly interested in what is called in this country free trade. At home and abroad, everywhere, it has been received, not as an attack upon a defective tariff, not as being for the purpose of lopping off excrescences or incongruities in the tariff, but for the purpose of destroying the protective system. The President himself speaks of it as "vicious," "inequitable," and "illogical." A former Secretary of the Treasury, referring to this same system in a report at a former session of Congress, spoke of it as a "brutal method." Members who have addressed the Senate, and defenders of this message in portions of this country, whether they were in official life or in private life, have spoken in terms of opprobrium, of contempt, of detestation, not of the tariff, not in complaint of inconsistencies or incongruities in it, but have spoken in this manner of the protective system.

It is, then, and it is so understood, I think, outside of this Chamber at least, an attack, not upon the defective tariff, not upon a system good in itself but in details faulty, but it is an attack upon the system that protects American labor and American manufactures against the competition of the labor and capital of other countries.

The Senator from Connecticut [Mr. PLATT] presented to the Senate some time since his views on the subject, in which I think he clearly proved that all the friends in this country and abroad of free trade and enemies of the protective system have hailed this message as a free-trade document; if not accomplishing free trade now, at least as a step that would ultimately bring us to free trade.

I know that the Senator from Kentucky [Mr. BECK] the other day, while discussing this question, when asked if he was a protectionist, declined to answer, but declared that there were no free-traders on his side of the Chamber, and gave as his reason why they were not free-traders, not that they did not believe in free trade, not that they believed in protection, not that they thought it was the duty of the Government to protect either manufactures or labor by import duties, but because, he said, we could not avoid having a tariff of some kind, because we could not raise sufficient money by any other method. Therefore, he said, they were not free-traders, and yet he did not deny then or there that he himself would be a free-trader whenever it was practicable to have free trade; and everybody who has listened to him for the last twelve or fourteen years in this body or previously in the other House, of which he was for a long time a member, will certainly agree that he is a free-trader.

I have before me a large number of extracts from various English papers, in which, one and all, they assert that this message is a free-trade document, that it is a step in favor of free trade. I do not care to read them. I believe they are not in the extracts introduced by the Senator from Maine [Mr. FRYE]. I think they are all of them of a different character and from different papers, or, if from the same papers, of a different date.

I not only find that they assume that this is a free-trade document, but they assert that the Democratic party as a party has committed itself to free trade, and that the Democratic party must keep on until free trade shall be an accomplished fact in this country, and then they congratulate themselves that they are about to have this the finest market in the world, a market of 62,000,000 people, if our estimate is correct as to the number of our population, who buy more and pay for it with greater certainty than any other 62,000,000, or any other 100,000,000, of people on the face of the earth. They say that the languishing industries of Great Britain will revive with considerable force if it shall be established that even a considerable reduction of our import duties shall be obtained through the intervention of the Executive.

I will present for insertion in the *Record* these extracts from the British press:

ENGLISH OPINIONS.

We shall be much mistaken if the effect of this state communication will not be to strengthen considerably the case of free-traders in all parts of the world. It will be regarded as a step in the right direction by all who believe in the soundness of free-trade principles.—*London Post*.

Mr. Cleveland is entitled to credit for having spoken out and laid before Congress without reservation the real facts of the case. The stone now set rolling will not stop until it has broken the idol of protection to pieces.—*London Daily News*.

Mr. Cleveland demands, in effect, that there shall be a tariff for revenue purposes only. No tinkering with the tariff will suffice; no readjustment of duties will do. The only reform that common sense can accept is one which unaffectedly substitutes the principle of unimpeded imports for that of tariff regulations.—*London Daily Standard*.

For the present the change in the American fiscal policy will be beneficial to this country, and the prospect of it has diffused fresh hope throughout business circles.—*Dundee People's Journal*.

In an article on "The coal trade in 1887, and its prospects for 1888," the *London Times* says: "If President Cleveland's tariff reforms are carried English goods and iron and steel largely will go to the States in greatly increased proportions."

The *Morning Post*, commenting on President Cleveland's message, says: "The message will produce a profound sensation in Europe as well as in America, and will strengthen the free-traders' case throughout the world."

The *Daily News* says: "Seldom has an American President had a more important or impressive lesson to teach. The fact is, that although President Cleveland makes a pretense of shutting his eyes to it, the policy of protection has been reduced to a practical and theoretical absurdity. The stone now set rolling will not stop until the idol of protection is broken to pieces."

The *Chronicle* says: "It is many years since such an important and suggestive message has been sent to Congress. If the policy of President Cleveland is adopted its effect on the trade of the world can not fail to be immense.

[From the *Saturday Review*.]

It may be taken for granted that the President has not acted without previously consulting the leaders of the Democratic party and securing their approval. He and they have taken up again the old free-trade policy of the South Carolina politicians, unconnected with what, in the jargon of American politics, was called the sectional question.

[From the Spectator.]

His terse and telling message has struck a blow at American protection such as could never have been struck by any fair-trade league, such, indeed, as would have been greatly weakened by the operations of any fair-trade league. * * * He has fired a shot at the protectionists which will be all the more effective for his refusal to discuss the theoretic issue.

[From the People's Journal, Dundee.]

A great sensation has been created by President Cleveland's message, and if the policy which it indicates be carried out, it will produce almost as much effect in this country as in America. The tariff reform which the President recommends goes as far, at least, as the abolition or reduction of the duties on raw materials. Should Congress give effect to this proposal, its immediate result would be an enormous stimulus to English industry.

[From the London correspondence of the Scotsman.]

The tenor of President Cleveland's message tends to confirm a statement which was made to me yesterday by a person of high authority, that the American Government are expected shortly to remove nearly the whole of the duty on pig-iron. The statement was made some hours before the telegrams of the President's message reached London, so that it could not have been inspired by it. * * * It is also believed that the duty on lead will be materially lightened. I need hardly point out that if these expectations are realized a great "boom" in both industries will follow. In well-informed commercial circles one also finds that the belief in a considerable revival of trade is becoming every day more and more confirmed.

[From the Haddingtonshire (Scotland) Courier.]

This much is certain, that another fierce contest is impending in America over the principle at issue. If it terminates, as it may be hoped it will do, in the direction of a relaxation of those imposts that now so vexatiously hamper commercial intercourse between Great Britain and the United States, we may look to an impetus being given to our home trade that will go far to make up for the depression of late years.

[From the Scotsman.]

The President proposes a radical reduction in the duties on raw materials, or even their free importation, as a way of compensating manufacturers for the sacrifice which they are asked to make. The free importation of iron, coal, and wool would be a great boon to British producers; if it were accompanied with reductions in the tariff upon cotton, woolen, and other manufactures the artisans of this country would derive a marked benefit from it.

[From the London Ironmonger.]

Dealing with the message as it stands, it would certainly seem to indicate a greater leaning towards free-trade principles on the part of the United States Cabinet than has been observable hitherto.

"Mr. Cleveland's policy," said the Times, "may not establish free trade in the strict sense of the term, but it will to a great extent make trade free."

"The President," said the Daily News, "does not seem to perceive the effect of his own arguments, or even the meaning of his own words. His statement that the question of free trade is irrelevant is astounding and preposterous. Mr. Cleveland has persuaded himself to think, or finds it convenient to say, that the principle of fostering native industries by duties on foreign imports can be made compatible with the principle of regulating the burdens upon the people by the needs of the public service. It is pure delusion. Protection, albeit indefensible, is the height of wisdom compared with proposals which combine all the evils of interference with all the risks of liberty."

"His real meaning is that the scheme by which the artificial fabric of domestic enterprise has been built up in America is fundamentally vicious.

[From "A member of Parliament" by cable to the free-trade New York Herald.]

To convert the United States is indeed a triumph. The Cobden Club will henceforth set up a special shrine for the worship of President Cleveland, and send him all its publications gratis. Cobden founded free trade; Cleveland saved it. Such is the burden of the song all through England to-day.

[From the London Standard.]

"In readjusting the tariff," he adroitly explains, "the interests of American labor and our manufactures should be carefully considered. Relief from the hardships of the present tariff," he goes on to say, "should be devised with especial precaution against imperiling the existence of the manufacturing interests but"—there is much virtue in the "but"—"such existence should not mean excessive profits."

Mr. Cleveland has used such praiseworthy candor in his positive treatment of the evils of the existing faulty system, that this soothing parenthesis, which the whole context proves to be a polite nothingness, may well be pardoned. When the inevitable consequences of adherence to a protectionist tariff are set forth by a man in Mr. Cleveland's position in the language which he has used, free trade becomes at once a living issue. There is an end of the truce of the makeshifts, of the hollow compromises between the rival factions to keep the delicate subject in the background of the platforms. If the Congress does not forthwith expunge the scandals of the customs lists the next Presidential campaign will be fought out, not on the obsolete cries of Republican and Democratic strife, but on the new question whether the people are simply because it suits the convenience of certain manufacturing rings that foreign competition should be rigorously excluded—to be mulcted year after year of enormous sums which the Treasury does not need, and which it can not employ.

[From the London Post.]

We must regard the message of the President of the United States as being a distinct pronouncement in favor of free trade.

We shall be much mistaken if the effect of this state communication will not be to strengthen considerably the case of free-traders in all parts of the world. It will be regarded as a step in the right direction by all who believe in the soundness of free-trade principles.

[From the Glasgow Herald.]

"It is a condition which confronts us; not a theory." Precisely so. Words almost identical with these have been used, and with enormous effect, in this country by Adam Smith, by Richard Cobden, by Sir Robert Peel. President Cleveland may say to others, therefore, and think what he chooses, but he has precipitated the inevitable struggle between free trade and protection in the United States, and that is tantamount to saying that he is on the side of free trade.

The London Pall Mall Gazette gave the following warning, and it has been needed :

English free-traders would be well advised if they moderated the ecstacy of their jubilation over President Cleveland's message. Every word which they say in its favor will be used as a powerful argument against the adoption of its recommendations.

I do not intend, Mr. President, to discuss the theoretical question of the tariff. I do not propose to go into the theory of the subject. The President of the United States has said that our protective tariff was a vicious system, inequitable and illogical. He has said himself, and his Secretary of the Treasury has said, that the people of the United States are laboring under its weight and borne down by the burdens of our tariff. I propose in dealing with this question to deal with it in a practical way. I propose to see what we have done that is vicious, inequitable, and illogical; but before I proceed to that I propose to show that the following statement made by the Senator from Georgia [Mr. COLQUITT] the other day is not true:

The Democratic party is a party of principle. These principles are deep-seated, grown out of a deep root, and bear appropriate fruit. They have had great exponents in the past, and will live to bless future generations. There are two great systems of thought and opinion in this country which contend for the mastery. Of these the Democratic, in my judgment, is bound to ultimate triumph, because it asserts the right of the people to be superior to those of any privileged class. It is time now for the distinct assertion of Democratic principles, the hearty maintenance of them, and the redemption of Democratic pledges.

Now I want to assert, having been brought up in the Democratic faith when it was more than a mere party looking for patronage, having received some of my early education in that party, that the Democratic party, except for a few years, in all its history has never been until recently a free-trade party. Unless for the short time that Calhoun dominated and controlled it, it never was a free-trade party; and it can not be said that those who founded and created this party and who are now held up to us as its brilliant leaders, such men as Jefferson, Madison, Monroe, Jackson, Benton, and Buchanan, were for free trade. It can not be said by any one that those early advocates of Democratic principles were in favor of free trade. This system, denounced by the President as vicious, has had the approval of all the great minds of this country, of all the men who were potent in the early history of our country. If you should step into a school-house and call up a boy to tell you who were the prominent leaders of our Revolutionary times and in the organization of the country immediately after the war, all the men he would name, without an exception, will be found to have been intelligent, active advocates of this "vicious, inequitable, and illogical" policy.

I suppose I need not say to the Senate, what everybody who reads knows, that George Washington was a pronounced protective-tariff man. I do not suppose that our Democratic friends will care much about that, because they assert that George Washington did not have correct views of the fundamental principles of the Government. But not only was George Washington a protective-tariff man, but so was Benjamin Franklin; so was Alexander Hamilton; and so were Thomas Jefferson, James Madison, and James Monroe. I venture to say here that you never had a Democratic President, until Grover Cleveland, who had not at some stage of his political history been an open advocate of a protective tariff. I do not care whether you refer to Jefferson, Madison, Monroe, Jackson, James K. Polk, or Buchanan.

I do not propose to spend very much time in proving these assertions. I desire, however, to call the attention of the Senate briefly to facts sustaining what I have said: First, Washington, in one of his annual addresses, took high ground in favor of a protective tariff, and argued that it was the duty of the Government to protect manufactures, using this language:

Congress have repeatedly, and not without success, directed their attention to the encouragement of manufactures. The object is of too much consequence not to insure a continuance of their efforts in every way which shall appear eligible.

The same position was taken by Jefferson on several occasions. Jefferson said in his second annual message that—

To cultivate peace and maintain commerce and navigation in all their lawful enterprises; to foster our fisheries and nurseries of navigation and for the nurture of man, and protect the manufactures adapted to our circumstances—

Was the duty of Congress. Later he said:

Shall we suppress the impost and give that advantage to foreign over domestic manufactures? On a few articles of more general and necessary use, the suppression in due season will doubtless be right, but the great mass of the articles on which impost is paid are foreign luxuries, purchased by those only who are rich enough to afford themselves the use of them. Their patriotism would certainly prefer its continuance and application to the great purposes of the public education, roads, rivers, canals, and such other objects of public improvement as it may be thought proper to add to the constitutional enumeration of Federal powers.

Again he said, speaking on the same subject:

Shall the revenue be reduced? Or shall it not rather be appropriated to the improvements of roads, canals, rivers, education, and other great foundations of prosperity and union, under the powers which Congress may already possess, or such amendment of the Constitution as may be approved by the States?

Again he said:

The suspension of our foreign commerce produced by the injustice of the belligerent powers, and the consequent losses and sacrifices of our citizens, are subjects of just concern. The situation into which we have thus been forced has impelled us to apply a portion of our industry and capital to internal manufactures and improvements. The extent of this conversion is daily increasing, and little doubt remains that the establishments formed and forming will—under the auspices of cheaper materials and subsistence, the freedom of labor from taxation with us, and of protecting duties and prohibitions—become permanent.

Mr. Madison said in a special message to Congress:

The revision of our commercial laws, proper to adapt them to the arrangement which has taken place with Great Britain, will doubtless engage the early attention of Congress. It will be worthy, at the same time, of their just and provident care to make such further alterations in the laws as will more especially protect and foster the several branches of manufacture which have been recently instituted or extended by the laudable exertions of our citizens.

Mr. Madison said in his seventh annual message:

In adjusting the duties on imports to the subject of revenue the influence of the tariff on manufactures will necessarily present itself for consideration. However wise the theory may be which leaves to the sagacity and interest of individuals the application of their industry and resources, there are in this, as in other cases, exceptions to the general rule. Besides the condition which the theory itself implies of a reciprocal adoption by other nations, experience teaches that so many circumstances must occur in introducing and maturing manufacturing establishments, especially of the more complicated kinds, that a country may remain long without them, although sufficiently advanced, and in some respects even peculiarly fitted for carrying them on with success. Under circumstances giving a powerful impulse to manufacturing industry it has made among us a progress and exhibited an efficiency which justify the belief that with a protection not more than is due to the enterprising citizens whose interests are now at stake, it will become at an early day not only safe against occasional competitions from abroad, but a source of domestic wealth and even of external commerce. In selecting the branches more especially entitled to the public patronage a preference is obviously claimed by such as will relieve the United States from a dependence on foreign supplies, ever subject to casual failures, for articles necessary for the public defense or connected with the primary wants of individuals. It will be an additional recommendation of particular manufactures where the materials for them are extensively drawn from our agriculture, and consequently impart and insure to that great fund of national prosperity and independence an encouragement which can not fail to be rewarded.

And he repeated this same idea again in a further message, as did Mr. Monroe. Mr. Monroe, in his first inaugural address, said:

Our manufactures will likewise require the systematic and fostering care of the Government. Possessing, as we do, all the raw materials, the fruit of our own soil and industry, we ought not to depend in the degree we have done on supplies from other countries. While we are thus dependent, the sudden event of war, unsought and unexpected, can not fail to plunge us into the most serious difficulties. It is important, too, that the capital which nourishes our manufactures should be domestic, as its influence in that case, instead of exhausting, as it may do in foreign hands, would be felt advantageously on agriculture and every other branch of industry. Equally important is it to provide at home a market for our raw materials, as by extending the competition it will enhance the price and protect the cultivator against the casualties incident to foreign markets.

In his fifth annual message he again alluded to this subject, and said:

It may fairly be presumed that under the protection given to domestic manufactures by the existing laws we shall become at no distant period a manufacturing country on an extensive

scale. Possessing, as we do, the raw materials in such vast amount, with a capacity to augment them to an indefinite extent; raising within the country aliment of every kind to an amount far exceeding the demand for home consumption, even in the most unfavorable years, and to be obtained always at a very moderate price; skilled also, as our people are, in the mechanic arts and in every improvement calculated to lessen the demand for and the price of labor, it is manifest that their success in every branch of domestic industry may and will be carried, under the encouragement given by the present duties, to an extent to meet any demand which under a fair competition may be made on it.

Then he proceeds to argue the question that it is the duty of the Government to protect manufactures. Again, in his sixth annual message, he used practically the same language:

From the best information that I have been able to obtain it appears that our manufactures, though repressed immediately after the peace, have considerably increased, and are still increasing, under the encouragement given them by the tariff of 1816 and by subsequent laws. Satisfied I am, whatever may be the abstract doctrine in favor of unrestricted commerce, provided all nations would concur in it and it was not liable to be interrupted by war, which has never occurred and can not be expected, that there are other strong reasons applicable to our situation and relations with other countries which impose on us the obligation to cherish and sustain our manufactures.

Mr. Calhoun, who may be said to be the father of the system favored by the Executive, and whose utterances undoubtedly the President of the United States must have studied, was originally an active, intelligent protectionist. He was found in 1816 debating this question with great ability, and I have before me in his published speeches his remarks made, when it is said he was called into the House from a committee-room with little preparation and few opportunities, to defend the protective system, and he did it in a remarkably able manner. Amongst other things, he said:

Laying the claims of manufacturers entirely out of view, on general principles, without regard to their interests, a certain encouragement should be extended at least to our woolen and cotton manufactures.

In another speech in the House of Representatives, April 6, 1816, Mr. Calhoun said:

When our manufactures are grown to a certain perfection, as they soon will under the fostering care of Government, we will no longer experience these evils.

He was then speaking of the evils of an uncertain price, referring to the trouble that had existed during the early days of the war of 1812.

The farmer will find a ready market for his surplus produce; and, what is almost of equal consequence, a certain and cheap supply of all his wants. His prosperity will diffuse itself to every class in the community; and, instead of that languor of industry and individual distress now incident to a state of war and suspended commerce, the wealth and vigor of the community will not be materially impaired. The arm of Government will be nerved; and taxes in the hour of danger, when essential to the independence of the nation, may be greatly increased; loans, so uncertain and hazardous, may be less relied on; thus situated, the storm may beat without, but within all will be quiet and safe.

Mr. Calhoun said afterwards, speaking on this same subject:

It produced an interest strictly American, as much so as agriculture, in which it had the decided advantage of commerce or navigation. The country will from this derive much advantage. Again, it is calculated to bind together more closely our widely-spread Republic.

In 1816, when the subject of the tariff was before Congress, the then Secretary of the Treasury, Mr. Dallas, the father of the afterwards Vice-President of the United States, submitted a report in favor of a protective tariff, in which he said:

There are few, if any, governments which do not regard the establishment of domestic manufactures as a chief object of public policy. The United States have always so regarded it. In the earliest acts of Congress, which were passed after the adoption of the present Constitution, the obligation of providing, by duties on imports, for the discharge of the public debts is expressly connected with the policy of encouraging and protecting manufactures. (19) In the year 1790 the Secretary of the Treasury was directed by the House of Representatives to take the subject of manufactures into consideration with a view particularly to report upon "the means of promoting such as would render the United States independent of foreign nations for military and other essential supplies." (20) In the year 1810 the Legislature again manifested a marked solicitude to ascertain the progress of the national independence in manufactures by combining the business of the census with an inquiry into the state of the several manufacturing establishments and manufactures within the several districts, Territories, and divisions of the United States. (21) But it was, emphatically, during the period of the restrictive system and of the war that the importance of domestic manufactures became conspicuous to the nation, and made a lasting impression upon the mind of every statesman and of every patriot. The weapons and munitions of war, the necessities of clothing, and the comforts of living, were at first but scantily provided. The American market seemed for a while to be converted into a scene of gambling and extortion; and it was not the least of the evils generated by the unequal state of the supply and the demand that an illicit traffic with the enemy by land and by water was corruptly and systematically prosecuted from the commencement to the termination of hostilities.

The matured state of the first class of manufactures relieves the task of forming a tariff, with respect to them, from any important difficulty. Duties might be freely imposed upon the importation of similar articles, amounting wholly, or nearly, to a prohibition, without endangering a scarcity in the supply; while the competition among the domestic manufacturers alone would sufficiently protect the consumer from exorbitant prices; graduating the rates of the market generally by the standard of a fair profit upon the capital and labor employed. It is true, however, on the other hand, that by imposing low duties upon the imported articles importation would be encouraged and the revenue increased; but without adding to the comfort or deducting from the expense of the consumer, the consumption of the domestic manufacture would, in an equal degree, be diminished by that operation, and the manufacture itself might be entirely supplanted. It is, therefore, a question between the gain of the revenue and the loss of the manufacture, to be decided upon principles of national policy. Under the circumstances of an abundant market the interest of the consumer must stand indifferent, whether the price of any article be paid for the benefit of the manufacturer or of the importer; but a wise Government will surely deem it better to sacrifice a portion of its revenue than to sacrifice those institutions which private enterprise and wealth have connected with public prosperity and independence.

If there ever was anybody in the Democratic party that our Democratic friends bow down to more readily than to any other man, it is old Andrew Jackson. He was probably in his day one of the most popular of all Democrats, because, while our Democratic friends are proud to enumerate amongst those who have advocated Democratic sentiments Thomas Jefferson, there has always been a feeling that Thomas Jefferson was something of an aristocrat, but that Andrew Jackson more nearly represented the real Democracy than any other man who ever lived. I have before me the letter that General Jackson wrote to Dr. L. H. Coleman, which has become famous, and also his reply to the Indiana legislature, in which he took high ground in favor of a protective system.

WASHINGTON CITY, April 26, 1824.

SIR: I have had the honor this day to receive your letter of the 21st instant, and with candor shall reply to it. * * * You ask me my opinion on the tariff. I answer that I am in favor of a judicious examination and revision of it; and so far as the tariff before us embraces the design of fostering, protecting, and preserving within ourselves the means of national defense and independence, particularly in a state of war, I would advocate and support it. The experience of the late war ought to teach us a lesson, and one never to be forgotten.

Heaven smiled upon and gave us liberty and independence. That same Providence has blessed us with the means of national independence and national defense. If we omit or refuse to use the gifts which He has extended to us we deserve not the continuation of his blessings. He has filled our mountains and our plains with minerals, with lead, iron and copper, and given us a climate and soil for the growing of hemp and wool.

These being the grand materials of our national defense, they ought to have extended to them adequate and fair protection, that our own manufactories and laborers may be placed on a fair competition with those of Europe, and that we may have within our own country a supply of those leading and important articles so essential to war.

Beyond this I look at the tariff with an eye to the proper distribution of labor and revenue, and with a view to discharge our national debt. I am one of those who do not believe that a national debt is a national blessing, but rather a curse to a republic, inasmuch as it is calculated to raise around the administration a moneyed aristocracy dangerous to the liberties of the country.

This tariff, I mean a judicious one, possesses more fanciful than real dangers. I will ask, What is the real situation of the agriculturist? Where has the American farmer a market for his surplus products? Except for cotton he has neither a foreign nor a home market. Does not this clearly prove, when there is no market either at home or abroad, that there is too much labor employed in agriculture, and that the channels of labor should be multiplied? Common sense points out at once the remedy. Draw from agriculture the superabundant labor, employ it in mechanism and manufactures, thereby creating a home market for your breadstuffs and distributing labor to a most profitable account, and benefits to the country will result.

Take from agriculture in the United States 600,000 men, women, and children, and you at once give a home market for more breadstuffs than all Europe now furnishes us. In short, sir, we have been too long subject to the policy of the British merchants. It is time we should become a little more Americanized, and, instead of feeding the paupers and laborers of Europe, feed our own, or else in a short time, by continuing our present policy, we shall all be paupers ourselves.

It is, therefore, my opinion that a careful tariff is much wanted to pay our national debt and afford us the means of that defense within ourselves on which the safety and liberty of our country depend, and last, though not least, give a proper distribution to our labor, which must prove beneficial to the happiness, independence, and wealth of the community. * * *

I have presented you my opinions freely, because I am without concealment, and should indeed despise myself if I could believe myself capable of acquiring the confidence of any by means so ignoble.

I am, sir, very respectfully, your obedient servant,

ANDREW JACKSON.

HERMITAGE, February 28, 1823.

SIR: I have had the honor to receive your excellency's letter of the 30th ultimo, inclosing resolutions of the senate of Indiana adopted, as it appears, with a view of ascertaining my

opinions on certain political topics. The respect which I entertain for the executive and senate of your State excludes from my mind the idea that an unfriendly disposition dictated the interrogatories which are proposed. But I will confess my regret at being forced by this sentiment to depart in the smallest degree from that determination on which I have always acted. Not, sir, that I would wish to conceal my opinions from the people upon any political or national subject; but as they were in various ways promulgated in 1824, I am apprehensive that my appearance before the public at this time may be attributed, as has already been the case, to improper motives.

With these remarks I pray you, sir, respectfully, to state to the senate of Indiana that my opinions at present are precisely what they were in 1823 and 1824, when they were communicated by letter to Dr. Coleman, of Virginia, and when I voted for the present tariff and appropriations for internal improvements. As that letter was written at a time when the divisions of sentiment on this subject were as strongly marked as they now are in relation both to the expediency and constitutionality of the system, it is inclosed herein; and I beg the favor of your excellency to consider it a part of this communication. The occasion out of which it arose was embraced with a hope of preventing any doubt, misconception, or necessity for further inquiry respecting my opinions on the subject to which you refer; particularly in those States which you have designated as cherishing a policy at variance with our own. To preserve our invaluable Constitution and be prepared to repel the invasion of a foreign foe by the practice of economy and the cultivation within ourselves of the means of national defense and independence should be, it seems to me, the leading objects of any system which aspires to the name of "American," and of every prudent administration of our Government.

I have the honor to be, very respectfully,

ANDREW JACKSON.

His Excellency JAMES B. RAY,
Governor of Indiana.

I also have here the remarks made by James Buchanan while a member of the United States Senate, before he became President, in which he took high protective ground. I also have here the proof that Mr. Polk, notwithstanding that under his administration the tariff of 1846 was passed, had previous to his election declared himself in favor of the protective system. He said:

I have heretofore declared to my fellow-citizens that, in my judgment, it is the duty of the Government to extend, as far as it may be practicable to do so, by its revenue laws and all other means within its power, fair and just protection to all the great interests of the whole Union, embracing agriculture, manufactures, the mechanic arts, commerce, and navigation.

He also continued in this strain to a considerable extent.

Mr. President, in 1872, when the Democratic party met in convention and nominated a distinguished Republican for their leader, the most active and aggressive protective-tariff man of the continent, Horace Greeley, they said in their platform—which I shall not stop to read—that the tariff was a question to be left to the Congressional districts, without any interference whatever from the Executive. In 1876, when the Democratic party got together and nominated Mr. Tilden, they for the first time in their history in a national convention declared themselves in favor of a tariff for revenue only, which is synonymous with free trade, because if the Government can acquire its revenue from any other source, then they are in favor of so acquiring it and cutting down the revenue to the lowest possible figure. In that campaign they were defeated.

In 1880 it would be impossible for anybody to tell what they did intend to say on that subject, but they evidently intended to go before the people, as they did in the tariff districts, asserting that they were a tariff party, and evidently intended to go, as they did, into the non-tariff section declaring that they were for free trade.

But in 1884, when there was greater probability of their electing a President than there had been at any previous time in two decades, owing to the dissensions in the Republican party, they said in substance that always the revenues had been derived from import duties in the main, and that they must continue to do so. Then they took a sort of back-handed lick at the war taxes, the internal revenue, and then they passed on to this:

But in making a reduction in taxes it is not proposed to injure any domestic industries, but rather to promote their healthy growth. From the foundation of the Government taxes collected at the custom-house have been the chief source of Federal revenue; such they must continue. Moreover, many industries have come to rely upon legislation for successful continuance, so that any change of law must at every step be regardful of the labor and capital thus involved. The process of reform must be subject in its execution to the plain dictate of justice. All taxation shall be limited to the requirements of the Government economically administered. The necessary reduction in taxation can and must be effected without depriving American labor of the ability to compete successfully with foreign labor, and without imposing lower rates of duty than will be ample to cover an increased cost of production, which may exist in consequence of the higher rate of wages in this country.

Nobody living would have supposed that the Democratic party intended there to announce the doctrine of free trade; nobody can say that they did there attack the doctrine of protection; nobody could have supposed that the Executive elected upon that platform would have ever delivered the message that the President of the United States sent to us in December last.

I stated a few moments since that with the exception of a few years the principle that has governed the legislation of this country has been that of protection to American labor and American manufactures. From 1783 to 1789 was the only period when we had in this country free trade or anything approaching to free trade, when all the circumstances are considered. In those years each State was at liberty to collect its own revenue, and until we organized under the present Constitution the power did not exist to lay imposts for national purposes; and during those six or seven years that we had free trade the people of this country saw enough of it. It swept every dollar out of the country. It took all the ready money and left the people to barter simply. The very first thing done when the Congress of the United States assembled under the Constitution was to provide a system of import duties—the first law that was passed being for the purpose of swearing men into place under the new Constitution; the second law that passed was for the protection of American manufactures, and so declared in the act. The preamble is:

Whereas it is necessary for the support of Government, for the discharge of the debts of the United States, and for the encouragement and protection of manufactures, that duties be laid on imported goods, wares, and merchandise.

That bill was signed on the 4th day of July, 1789, by George Washington. The men who made this law were, at least one-third of them, members of the constitutional convention that had created our Constitution; and yet we are gravely told by Senators who have been addressing us within the last six weeks that there is no constitutional power to protect manufactures. The Senator from West Virginia [Mr. KENNA] declared in the speech he made early in the session, in reply to one made by the Senator from Ohio [Mr. SHERMAN], that the method was an unconstitutional method when it attempted to protect American manufactures or American labor; that that was not the province or purpose of revenue laws; and yet this act to which I have called the attention of the Senate was presented to the House of Representatives by James Madison himself, who was then chairman of the Committee on Ways and Means, or what was equivalent thereto.

Between this time and 1812 there were seven or eight revisions of the tariff, and every revision of the tariff increased the amount of import duties on the whole. Occasionally one article would be dropped a little, but on the whole the duties were increased, the purpose being to increase the revenues and give additional protection to the manufactures of the country.

Immediately preceding 1812, while the embargo was laid, there was a great lack of goods in this country. We had been dependent up to that time very largely, notwithstanding our tariff, upon European manufactures for our goods. We had manufactured in a small way as a poor people could, but not to any considerable extent. So great was the lack of goods that when the embargo was laid Congress even contemplated removing it for a time, simply that the people might stock up goods in this country.

With the embargo, with the war of 1812, came very great activity in American manufactures. It is stated by good authority that up to 1810 at no time had there been more than 5,000 bales of cotton manufactured in a year in the United States. In 1815 the number of bales manufactured was 90,000. So during the war and during the days of the embargo our people put their money in manufacturing, and manufacturing went on all over the country to a considerable extent. Immediately after the war came an influx of European goods from all sections, but more particularly from Great Britain. This influx of foreign goods was sent here for two purposes: first, because there was an overstock in Europe, and, second, as declared by the English people themselves, and notably so by Lord Brougham, for the purpose of glutting the American market; for the purpose of depressing and breaking down prices in this country until such time, as he said, when the manufacturers in this country would renew the natural order of things, and that was to stop manufacturing here and let the goods be manufactured in Great Britain.

Our next tariff was the tariff of 1816. The first practical effort made after the war was the tariff of 1816, which was largely a reduction of the tariff of 1812, which had

by one single movement doubled the import duties up to that time existing. So the tariff of 1816 was a reduction, and then what followed? All over the country there was in a short time stagnation in business. All of the trading and manufacturing interests and all of the commercial interests at home on land were practically wiped out. We depended entirely, or nearly so, upon foreign goods for a time, until it became evident that the tariff must be increased, as it was.

Here let me say that during this time Great Britain not only flooded us with cheap goods, but she made every effort to take out of this country such of her laborers as had found a home here. It is a notorious fact, and it was reported to Congress, that a great number of spinners, weavers, and that class of people were taken back free by the British Government, who had been engaged in manufacturing in this country. They not only tried to discourage manufacturing here, but they undertook even to discourage cotton-raising in this country, for fear we would do what they quite naturally supposed we would do if we raised cotton—manufacture our own cotton.

In 1824 the tariff was again amended. This was an increased or protective tariff. In 1828 an additional tariff was put on imported goods, and this was the high tariff; this was the highest tariff that had ever been put upon imported goods up to that time. It was not as high a tariff as we have had since; but we ought to recollect, when we speak of high tariffs, that that is a relative term. In 1824, when the tariff was being discussed, Mr. Webster said: "You can bring from Stockholm, Sweden, wood to this country for \$8 a ton." To-day they are bringing goods from England to this country of very fine quality for from \$2.50 up. You can bring a ton of railroad iron or steel and land it at New York or at Boston or at Baltimore or at any of the Atlantic cities for \$2.50 a ton. So what was a high tariff then would not be a high tariff now, on account of the difference in freights. It is suggested by the Senator from Rhode Island [Mr. CHACE] that they sometimes bring it for nothing, as ballast. They were not in those days taking away from this country as much as now, and the temptation was not as great to bring it in as ballast as it is now, but the high price of freight, added to the duty, acted as a protection to the American producer of manufactured goods.

Now we are practically at the door of every European city that is on tide-water. You can to-day bring things from any portion of the European continent that touches water cheaper than you can bring them from the center of this American continent to our coast. So what was a high tariff in 1824 and 1828 is not an ample tariff to-day.

The tariff of 1828, I said, reached the highest point that had then been attained. The tariff had gradually risen. From the time we adopted the Constitution to 1828 there never had been an hour that the protective system was not in the ascendency in this country, not even in 1816, when the tariff was lowered, there was still a protective majority in both branches of Congress, and the people were committed to the protective system.

But in 1828, when Mr. Calhoun for the first time had conceived the possibility of building up a great nation with one single interest, with only one single thing as its principal and distinctive feature, and that American slavery—when he came to the conclusion that that could be done in the South, he knew, as everybody knew, that manufacturing was inconsistent and impossible with that class of labor. He knew that that degraded class of labor could only do the work of a farm hand; and then, for the first time, he turned against his compeer, Mr. Clay, and advocated free trade.

In 1830 an effort was made to reduce the tariff, and it failed. In 1832-'33 agitation continued, and Mr. Clay, who perhaps of all men in public life had been the most zealous, and I presume it will not be amiss to say the most intelligent, advocate, certainly the most eloquent advocate of American protection, giving way to a weakness of his character which was exhibited on other occasions, proposed to compromise with Mr. Calhoun, and then for the first time in our history, and only while that lasted or practically lasted, was there any considerable leaning in this country toward free trade. The compromise was a gradual reduction of the tariff until it should reach 20 per cent., which it did reach in 1842.

What was the result of that? Gradually as the tariff was reduced goods came in from abroad, especially from Great Britain; gradually the manufacturers in this country suspended and shut up; gradually as that was done the price of goods was

raised, and in 1837, when we had tried the lowering scheme for four years or thereabouts, the whole country was in a state of financial depression unknown before that time in the history of any people, and I presume I shall not go amiss if I say its equal has never been known since. We continued that system till 1842. I would ask any man who wants free trade, who believes that the country where you can buy the cheapest is the best, to read the history of the financial disasters in this country from 1837 up to 1842.

In 1842 there was an increased duty put upon imports by the tariff act of 1842, and what was the result of that? Everywhere where there had been stagnation and depression and want before there was a revival of business. Where labor had been striking for bread the people who were engaged in manufacturing and other enterprises were inquiring for labor, and the business of the country sprang readily from nothing to activity. We were engaged then in manufacturing, in opening up new farms, and doing the things that are always done when labor is properly rewarded in this country.

Then came the election of 1844 and the tariff of 1846. I stated that Polk had been a protective-tariff man. His enunciations had been in that direction; and in that campaign Pennsylvania was won to the Democratic column by making speeches all over the State declaring that he was a protective-tariff man, and inscribing on their banners, "Polk, Dallas, and the tariff of 1842." Everywhere it was asserted that the tariff was to be protected and not destroyed if Mr. Polk should be elected President; but no sooner had he been fairly seated than the attempt was made to destroy the tariff of 1842 and to go back to the tariff that had resulted from the compromise of Mr. Clay.

Our friends on the other side are exceedingly fond of alluding to the period from 1846 to 1860. The Senator from Georgia [Mr. COLQUITT], who addressed the Senate on Monday last, dwelt long and eloquently upon the prosperity under that tariff. Mr. Walker, who was Secretary of the Treasury, made his report in 1845. It was a free-trade paper; it was the first open, square committal of the Democratic party to free trade. He believed in it, as the Senator from Kentucky [Mr. BECK] believes, that if the revenue could be derived from any other source there should not be any import duties at all. Secretary Walker made his report. That report was taken in Great Britain and published in the newspapers and it was lauded and praised, as the recent President's message has been lauded and praised, as an able state paper.

The tariff of 1846 was not as low a tariff as some of the earlier tariffs had been, but under the circumstances and conditions of things it was the nearest to free trade that we had had, and it was put forth with the avowed purpose of coming to free trade as rapidly as possible.

What was the condition? I want to go back a moment to 1842. When Congress assembled in December, 1841, the Government of the United States was without money. There was a deficiency in the revenue. We were compelled to borrow money to pay the ordinary expenses of the Government. The revenue had faded away. Our friends on the other side of the Chamber tell us that there was no such period in the history of the country as that from 1846 to 1860. They tell us that it was the result of a free trade or low tariff. They lose sight of the fact that in the beginning of the trials of this tariff we had first the Mexican war. The Government, because of that war, had to put out a large amount of money, which stimulated all business in this country, which created manufactures, and called for activity in every branch of industry in the United States. They forget also that following on that was the famine of 1847, 1848, and 1849 in Europe. They forget that there was a market for our agricultural products then that had not existed before. They forget the further fact that we then entered immediately upon the production of fifty or sixty millions of gold a year; and fifty or sixty millions of gold a year thrown into the markets of the world had a very different effect from what fifty or sixty million dollars thrown into the market would have now.

They forget that the discovery of gold in California inflated all classes of business; that it took from the productive ranks of people engaged in manufacturing and producing farm products a great number of men and transferred them to California, and put them at the most remunerative business that men ever engaged in. That labor was better compensated and paid in California than in any other portion of the world at any time in its history. The creation of wealth was simply

enormous. Sixty million dollars a year right along was the product of that State. What became of it? It stopped a few days here and stimulated and excited the industries of the country, and then it fled across the water, never again to return to pay for the imported goods that we had bought, that we ought to have made on our own shores. And so, when 1860 came, we were practically without a dollar of hard money in this country.

They forgot also that a few years after the discovery of gold in California the great Crimean war occurred in Southeastern Europe, in which Russia, Turkey, France, England, and Italy were engaged, diverting thousands of men from the pursuits of peace and creating for some years an immense demand for our agricultural products.

The PRESIDING OFFICER (Mr. DOLPH in the chair). The Senator from Colorado will suspend. Two o'clock having arrived, it is the duty of the Chair to lay before the Senate the unfinished business, being Senate bill No. 977.

Mr. CHACE. I ask that the unfinished business be informally laid aside, and that the Senator from Colorado have unanimous consent to proceed.

The PRESIDING OFFICER. If there be no objection, that will be the order.

Mr. TELLER. Mr. President, the tariff of 1846 was so low that the imports under it were very large. The Government had been compelled under the compromise tariff of 1833 to borrow large sums of money which I will simply mention. In 1841, February 15, the Government made a loan of \$5,000,000; on the 21st of July of the same year they made a loan of \$12,000,000; on April 5, 1842, they made a loan of \$5,000,000, and there was still a deficit in the Treasury that year. That was under the compromise tariff of 1833. Under the tariff of 1846 there were ample revenues, so much so that in the spring of 1857, there was a reduction of the tariff for the purpose of preventing an accumulation of revenue. There had been up to that time unusual activity in business circles. There had been what was called great prosperity growing out of the condition of things which I have mentioned, resulting from a demand abroad for our products and the fact that the Government had been engaged in a war and the great production of gold in California, and the activity in consequence of putting in the market so much money. But in the fall of 1857, soon after the tariff reduction of that year, there came a panic that was not quite equal perhaps to that of 1837, but the most disastrous panic that we have ever had in this country save the panic of 1837, and from that time up to 1860—I speak to men who have recollection of the affairs of this country at that time—our manufactories closed their doors, and thus men who had supposed that they had accumulated something for old age found themselves bankrupt, and nobody suffered like the men who labored. There was distress, disaster, panic everywhere in the land, clear up to the time that the Republican party entered into power, in the spring of 1861. When Senators tell us of the halcyon days of 1846 and subsequent years, prior to 1861, they overlook the fact that the country was in a state of panic for at least three or four years of that time, the result directly, in my judgment, of the low tariff, deferred and put off by the favorable and fortunate circumstances to which I have alluded.

In the fall of 1860 President Buchanan issued a proclamation, from which I will read a little extract which shows what the position of the country then was. This was on the 14th day of December, 1860, immediately after the assembling of Congress:

The Union of the States is at the present moment threatened with alarm and immediate danger. Panic and distress of a fearful character prevail throughout the land. Our laboring population without employment, and consequently deprived of the means of earning their bread. Indeed, all hope seems to have deserted the minds of men.

I desire, for the benefit of those who wish to return to the position of 1846 and subsequent years, to call attention to the condition, financially, of the Government at that time. On the 22d of July, 1846, Congress authorized a loan of \$10,000,000 to pay current expenses; on the 28th of January, 1847, a loan of \$23,000,000 was authorized; on March 3, 1848, a loan of \$16,000,000 was authorized; in 1850 a loan of \$10,000,000 was authorized, what was known as the Texas indemnity loan; on the 14th of June, 1858, a loan of \$20,000,000 was authorized drawing 5 per cent.; December 1, 1860, a further loan of \$10,000,000; February 8, 1861, a loan of \$25,000,000; March 3, 1861, when the Republicans came into power, the outgoing Congress authorized a loan of \$10,000,000.

I wish now very briefly to compare the condition of the United States in 1860 with any time subsequent thereto. I do not care whether the comparison is made in the midst of the war with all the alarms of war and the excitements of war, or whether it is made in times of peace, the comparison will be in favor of the system of which I am an advocate. If this system is a vicious system, a wicked system, an illogical system, it is somewhat singular that the country should have prospered under it. I know it is said on the other side, "you prospered because you had great natural advantages, because the country had rich lands and rich mines," but we had the rich mines and we had the rich lands under the tariff of 1846. We had more rich lands before 1860 than we had afterwards; our mines had been as productive then as they were later, and more so in proportion to the labor expended on them. There had been greater profit in working them before 1860 than at any period subsequent thereto; and yet what was the condition of the country?

Was there plenty? Was there prosperity? Was it not true, as stated by Buchanan, that the laboring people were without the means of earning their daily bread? We had at that time in circulation in the United States, according to the best estimate that can be made, \$214,000,000 of gold and silver. Of all the vast sums that had come from California this was all that was left. We had \$207,000,000 of paper money, paper money that was not good in Connecticut if it was used in Pennsylvania, and not good in Pennsylvania if it was used in Illinois; and it was paper money that every man who took it had to have a detector at his elbow to see whether the bank had not broken over night.

Let me compare that financial statement with the statement of 1887. We have now, according to the authorities of the present Administration, \$1,023,764,163 of gold and silver, more than a thousand million dollars of the two metals to-day, as against \$214,000,000 in 1860. We have, in addition to that, \$346,681,016 of greenbacks, which can be readily exchanged any day in any part of the country for gold. We have \$169,215,067 net of national-bank notes; and I deduct in this estimate \$100,000,000 that is in the Treasury for redemption. Thus we have in all \$1,539,660,246, as against \$421,000,000 in 1860.

But we might have vast sums of money among our people, and yet the people might not be richer. I now take another item. The deposits in banks in 1860, all told—I mean aside from savings-banks—were \$253,802,129, and in the savings-banks, all told, \$149,277,504. Then all the money in all the banks held by all classes of people was \$403,079,633. Now the national banks of the United States hold, by the official publications of the Government, \$1,767,332,471. The State and private banks, the Treasury Department estimates, hold \$251,734,788 more, making a total of deposits of \$2,019,067,259 of money. The savings banks in the United States that had in 1860 \$149,000,000 have now \$1,235,736,069. So the total money in banks is \$3,254,803,328—\$800,000 more than all the banks of England, Scotland, and Wales; and yet we are told that this "vicious" system has weighed down the people and destroyed their energies!

Why, Mr President, who owns the twelve hundred and thirty-five million dollars of money in the savings-banks? The men who labor; the men who toil for day's wages or monthly wages, not the rich. They own, besides, a large amount of the \$1,767,000,000 that is found in the national banks on deposit. They own a large amount of that which is found in the State banks also.

We had in 1860 in the Treasury \$32,979,530. We owed then somewhere in the neighborhood of \$80,000,000, so that we did not have half money enough to pay our debts, and it was a time of profound peace. We had had no war since the Mexican war ended in 1847; we had had no great demand for money, and yet we had not been able to pay current expenses. How is it to-day? We have to-day—I will not venture to say to-day, because I made these figures some days since, and the accumulation goes on very rapidly in the Treasury—we had, when I made the calculation, perhaps some thirty days ago or thereabouts, \$663,172,732. I state here, with full knowledge of what I state, that all the great combined powers of the world have not got a fourth of that sum of money in their combined treasuries. Richer and stronger and greater in our national resources than any other nation, yet it is said that the system under which we have grown rich and strong and great is "vicious, inequitable, and illogical."

Our governmental receipts in 1860 were \$56,054,599. In 1887 they were \$371,-

403,277. Since I made these figures I cut from a paper—the Boston Advertiser—this statement, which I desire to read:

The condition of the savings-banks of New York is a standing refutation to the cry that the country is becoming impoverished and the working people growing poorer under tariff burdens. It is an admitted fact that the amounts on deposit with the savings-banks of New York city are largely made up from the savings of the working classes of people.

Reports of the eleven banks of the city for January 1 show an increase of \$12,000,000 in deposit over the amount of last year, while the whole number of banks in the State show an increase of \$26,000,000. These banks are said to be in an unusually safe and prosperous condition at the present time, owing to the stringent laws regulating their business.

That is in one State alone where the laboring people of this country have added to their wealth \$26,000,000 deposited in savings-banks alone, and nobody can tell how many millions they have added in other ways. The Senator from Massachusetts tells me that the savings-banks of Massachusetts hold over \$300,000,000. The Senator from Connecticut the other day declared that in his State the savings-banks held more money owned by the laboring people than all the savings-banks outside of the United States—in the world. I have no doubt that he told the truth, and that he was informed whereof he spoke.

Sir, we have a system of banking in this country which we call the national-bank system. Its capital is \$578,462,765; its surplus fund \$173,913,440; its undivided profits are \$71,450,167; making a total of \$823,826,372. The general impression is that these banks are owned and controlled by rich men. That is not a fact. In all the country banks laboring men have more or less part. I have a statement here from the Comptroller's report showing the number of persons who own stock in these banks and who, of course, own the surplus fund and the undivided profits. Outside of corporations there are 233,630, of corporations 7,492; total, 241,172. Of this number, 139,843 own \$1,000 or less than \$1,000 each. Thus it can be seen where the wealth of the country has gone. Seventy-three thousand two hundred and five own over \$1,000 and less than \$5,000, and then the balance is divided between \$5,000 and \$30,000.

In 1860 the value of all property, including slaves, in the United States was about \$16,000,000,000. It was estimated by competent authorities that \$2,000,000,000 should be deducted from that if you desired to arrive at the value of property outside of slaves. That would leave in 1860 \$14,000,000,000. In 1880 the property of the United States was valued at \$44,000,000,000, lacking a little. It comes nearer to \$44,000,000,000 than to \$43,000,000,000. So our gain in twenty years had been \$30,000,000,000.

We are frequently told that the tariff prevents exports, that the tariff disturbs commerce with foreign nations. I find that our total exports from the foundation of the Government up to 1860 had amounted to about \$9,000,000,000, which was the result of two hundred and fifty years of exporting, for we began to export almost with the beginning of the settlement of this country, more or less, and we exported tobacco when we had not anything else to export. Since 1860, in twenty-seven years, we have exported \$14,200,000,000. We have exported within the last three years more than \$2,200,000,000. And yet we are told that this system is a weight upon progress and retards and hinders our natural development.

In 1860 there was employed in manufacturing a capital of \$1,009,855,715; in 1880 the capital employed was \$2,790,272,606. Our production in 1850 was \$1,019,103,616.

This reminds me that when the Senator from Georgia was addressing the Senate the other day he made this statement:

PRODUCTS OF MANUFACTURES.

In the matter of products the same phenomena appear. In 1850 the total value was \$1,019,103,616. In 1860 it was \$1,885,861,676, a gain of 85 per cent. In 1880, after twenty years of high tariff, the product was valued at \$5,340,579,191, a gain of 184.7 per cent. since 1860. The same causes which enlarged manufacturing capital in 1861-'65 increased manufactured products; but compare 1870 with 1880. The product of 1870 was valued at \$4,232,325,442 in greenbacks, or \$2,526,937,868 in specie. If the gain from 1870 to 1880 had been 85 per cent., as it was from 1850 to 1860, the product of 1880 would have been worth \$6,524,335,056, or \$1,155,255,865 in excess of the actual value. Where do the benefits of the high tariff appear?

Now, let us see how the Senator arrived at that. He says the gain from 1850 to 1860 was 85 per cent. In 1850 the product was \$1,019,103,616, and in 1860 it was \$1,885,861,676. The difference in those years was \$886,755,060, but from 1860 to 1880 we gained \$3,483,717,515. We gained from 1860, twenty years, four times

what we gained from 1850 to 1860; and yet by a system of arithmetic that everybody understands you can make it appear that the percentage was greatly less than it was during that previous decade.

The Senator has other figures of the same kind which I will allude to before I get through. Our production was larger relatively from 1860 to 1880 than it had been from 1850 to 1860. Our production in 1880 was, as he has given it, \$5,319,579,191. Our net production in 1860 was \$854,256,584. Our net production in 1880 was \$1,972,755,642. Our wages in 1860 were \$378,878,966. In 1880 our wages were \$947,953,795. Dividing this by the number of men laboring we had in 1860 \$289 per hand. Dividing it by the number of hands employed in 1880 we had \$347 per hand.

Then the Senator from Georgia goes into an argument to show that the percentage of increase of the laborer's wages had not been equal to the percentage of increase of the product, and, therefore, he said, the labor in this country is not receiving as much remuneration proportionately as it did in 1860. The laborer does not care what relation his wages bear to the product; he wants to know how much money he has got; and if he got \$289 in 1860, he can realize the difference between that and getting \$347 in 1880, with a purchasing power for everything that he needs increased from 15 to 20 per cent.

We employed in manufactures in 1860 1,311,246 persons. We employed in 1880 2,732,595. The amount of material used in 1860 was \$1,027,411,482, and in 1880 it was \$3,381,701,277. We employed in manufactures, of women and children who can not be employed in agriculture, 713,560, who are to be deprived of every opportunity to labor if all the people in this country are to follow one pursuit, and that the pursuit of agriculture.

We hear a great deal about farmers. The Senator from Georgia waxed eloquent over the wrongs of the farming people. In 1880 the number of people engaged in farming pursuits was 7,670,493. If the proportion is continued, if the same proportionate number of people are engaged in farming as in 1880, we must have about 9,000,000 now engaged in farming. But the people engaged in farming are not all farmers. It appears by the census reports that 3,323,876 of this number are agricultural laborers working for day wages, and of the 17,000,000 people who are said to be engaged in earning their living by labor there are 10,000,000 and more, according to the census of 1880, who are engaged in earning their living by daily labor or yearly labor or monthly labor. They were the employes and not the employers. If that rule holds good, there are to-day not less than 12,000,000 people who are working in the United States for wages.

In 1860 the total production of cereals of all kinds in the United States was 1,230,000,000 bushels; in 1880, 2,700,000,000 bushels. The Agricultural Report shows that the production in 1887 amounted to 3,000,000,000 bushels of grain of various kinds.

The live-stock in the United States in 1860 was valued at \$1,089,329,915. In 1880 it was \$1,500,464,609. The Agricultural Report put it in 1884 at \$2,467,868,924, and notwithstanding the depression in the cattle business and in all classes of property included in live-stock the last report from the Agricultural Department estimates the entire value of the live-stock in the United States, including horses that are used in cities, at \$3,000,060,000.

In 1860 we produced 60,000,000 pounds of wool; in 1880 we produced 232,000,000 pounds, and in 1887 285,000,000 pounds. We have produced, year in and year out, on an average for the last five years, 1,619,000,000 bushels of corn, and of this we export about $3\frac{1}{2}$ per cent. The rest we find a market for amongst our own people.

It is said that we have not increased our farms and our farm products in accordance with the growth of other things. If we stimulate manufactures, we necessarily draw some of the people from agriculture; and that was what was desired, and that is what is desired. A diversity of pursuits is what we want, and a great diversity is not only calculated to give all men employment, but to give all men employment according to their capacities and according to their talents and tastes. One man who will succeed admirably as a manufacturer would fail as a farmer, and he who would fail as a manufacturer might succeed as a farmer, and so that is the wisest system of political economy which gives to the people diversity of occupation and diversity of pursuit; and thus we are enabled, as I said a moment ago, to put more than 700,000 women and children at work in useful pursuits, according to their capacity, that they may support themselves.

The farms in 1860 were 2,044,077 in number; in 1880 they were 4,008,907; in 1887 they were estimated at 5,000,000, according to the Agricultural Report. Their value in 1860 was \$6,645,045,007; in 1880, \$10,197,096,776. There is not time to go over these items, but any man who will do so will see, in the first place, that in 1880 there were many more acres of land under cultivation, in proportion to the whole number of farms, than there were in 1860, showing that the farms have increased, their value has increased, their capacity has increased, and their productiveness has increased, as the land has been better cultivated.

In 1850 we produced 38 bushels of wheat per capita. In 1886 we produced 53 bushels of wheat per capita. We produce five times as much wheat as we produced in 1850. In fifteen years prior to 1887 the increased product of corn has been 43 per cent., and now our product of corn and wheat and oats and rye is so great that if one single mill to the bushel can be added to its value it represents three millions of money, and if you can add one single cent to its value it represents thirty millions of money.

From 1850 to 1861, a period of twelve years, we imported \$454,309,000 of merchandise more than we exported. Do I need to say to anybody that no country can continue that process without destruction of her material interests? You can not as a nation buy more than you sell any more than an individual can do it, and not go into bankruptcy or draw upon his capital. But during the same twelve years we exported of silver and gold \$361,769,479 more than we imported. During the twelve years from 1876 to 1887, inclusive, we exported merchandise in excess of our imports to the value of \$1,481,077,940, and during this time, while we exported a large amount of silver, we also imported a large amount of gold, so that the sum total of our imports of gold and silver exceeded our exports by more than \$86,000,000.

In 1860 our exports of merchandise were \$316,242,423. In 1887 they were \$716,183,211. In 1860 the imports of coin and bullion were \$8,550,135. In 1887 our imports of coin and bullion were \$60,170,792.

The Senator from Georgia called attention to the building of railroads in this country in his efforts to make it appear that in the decade from 1850 to 1860 there had been a degree of prosperity not realized since. He said:

There were 9,021 miles of railroad in the United States in 1850. The mileage in 1860 was 30,635, an increase of 239.6 per cent. during the low-tariff period. In 1870 there was a mileage of 52,914, a gain of 72.72 per cent. These figures had increased to 93,349 in 1880, a gain of 76.41 per cent. In the twenty years of high tariff, from 1860 to 1880, there was a gain in mileage of 201.7 per cent., as against a gain of 239.6 per cent. in the ten years of low tariff, from 1850 to 1860. How much the duty on iron and steel rails checked railroad building during two decades of high tariff may not be correctly estimated, but it is easy of conjecture.

A statement of that kind is calculated to mislead the casual observer. A person taking up this and looking at it without paying much attention to it would say that that proposition was correct and that we did not progress as rapidly; but what are the facts? Let us take fourteen years previous to 1860, and during that time we built 25,705 miles of railroad, or an average of 1,836 miles a year. From 1860 to 1887, a period of twenty-seven years, we built 120,347 miles, or an average of 4,460 miles a year. And yet this process of figuring of the Senator from Georgia makes it appear to the casual observer that we actually built less miles of railroad since 1860 than we built previous to 1860.

Take the last fourteen years under this "vicious" tariff and put those fourteen years with the fourteen years previous to and including 1860, and it will be seen that we built 25,705 miles of road in the period up to 1860, and during the fourteen years last passed we have built 80,718 miles of railroad, or nearly 5,700 miles a year; and for the last seven years we have built 57,637 miles of railroad, or 8,219 miles in a year; and last year we built more miles of railroad than ever had been built in any year before in our history, and more than any other people ever built.

Yet upon that system of figuring, upon that system of percentages, we only built 9½ per cent. of road, and thus year after year, when we have accumulated 200,000 miles, the percentage will be still less, and we shall have to build an enormous amount of road to keep up with this method of figuring!

Mr. President, I find that I must close my remarks without referring to many things that I had intended to notice; but I shall take occasion to refer to them at some other time. Before, however, I leave the subject I desire to call attention to

some remarks of the Senator from Georgia that I think need a little explanation, and that is his system of percentages continued.

Mr. CHACE. Which Senator from Georgia?

Mr. TELLER. I refer to the Senator from Georgia who spoke in behalf of the President's message [Mr. COLQUITT].

He makes a comparison between the valuation of real and personal property by States for the decades from 1850 to 1860 and from 1870 to 1880. He takes, for instance, the State of California, and starting with \$239 per capita in 1850 he finds that California had \$547 per capita in 1860, \$1,140 in 1870, and \$1,654 in 1880, and yet he says that her percentage of gain from 1850 to 1860 was 128 per cent. and her percentage of increase between 1870 and 1880 was only 45 per cent. That is calculated to deceive. If it was not intended for that purpose it certainly is calculated to do it. The question is how much did they add, not what was the percentage, but did the people of California make more money and put it away between 1850 and 1860 than they did between 1870 and 1880. Between 1850 and 1860 they cleared on an average \$308 apiece; between 1860 and 1870 they cleared \$593 apiece, and between 1870 and 1880 they cleared \$514 apiece; and yet the Senator's percentage is correct; and as they increase in wealth per capita their percentage will decrease, and apparently they will be making less money, although in fact they may be making twice as much.

The population of the State of Delaware between 1850 and 1860 gained \$183 apiece, and between 1860 and 1870 \$365 apiece, or twice as much.

The population of the District of Columbia gained between 1850 and 1860 \$176 apiece, and between 1860 and 1870 \$416 apiece. Thus you may take it right through and it will be found that these percentages are extremely vicious and deceiving.

A few days since a statement was made in another body which I quote from the *Record* and desire to call to the attention of the Senate. It is said to have been taken from a St. Louis paper, from the Missouri Republican. The statement is as follows:

First, as to farms. In 1880 there were 138,500 farms in Kansas, 256,000 in Illinois, 194,000 in Indiana, 247,000 in Ohio, 185,300 in Iowa, 154,000 in Michigan, and 134,300 in Wisconsin—making a total of 1,309,100 in the seven States named. Recent statistics collected by Granger associations and printed in farm journals make the following exhibit of farm mortgages in these same States:

Kansas.....	\$235,000,000
Illinois.....	1,000,000,000
Indiana.....	665,000,000
Ohio.....	1,227,000,000
Iowa.....	567,000,000
Michigan.....	500,000,000
Wisconsin.....	357,000,000
Total.....	\$4,521,000,000

It occurred to me that that was not possible, but I read the statistics and I find that whoever got up this statement, either by accident or design, went to the record and took the value of farms as reported in the census of 1880 and actually put down here as mortgages the entire value of those farms. In the State of Illinois, if this is true, every farm must be mortgaged for \$30 an acre; in the State of Indiana every farm must be mortgaged for \$40 an acre; and yet accessible to every man is the Report of the Commissioner of Agriculture for 1886, in which he declared that the farm mortgages in all sections of the country, giving the tables, State by State, were much less than they were ten years before. I will not now detain the Senate with the particular details of that, but nobody need misstate, nobody need misunderstand. There are the facts. It is not true that the mortgages have shingled the farms all over, as the junior Senator from Georgia [Mr. COLQUITT] stated. There will be at all times where there is a farming community mortgages on farms. Many a man buys his farm on time, and the great majority of men who own farms got them on time, and they are compelled to mortgage them. But to say that they are heavily mortgaged because of the tariff is not true and is not borne out by the records of the departments charged with an investigation into those affairs.

Mr. President, if there was time I should like to call attention to the complaint often made that our shipping is destroyed by reason of the tariff. I desire to put in

my remarks on that point simply the statistics of the United States on this subject, which show that there is practically no tariff upon that which enters into the construction of a ship, or at least the great body of materials that enter into a ship is exempt by the plain provisions of the statute and has been for years.

On free-list are—

Felt, adhesive, for sheeting vessels.

Logs, and round, unmanufactured timber, not specially enumerated or provided for in this act, and ship timber, and ship planking.

SEC. 2510. All lumber, timber, hemp, manila, wire rope, and iron and steel rods, bars, spikes, nails, and bolts, and copper and composition metal which may be necessary for the construction and equipment of vessels built in the United States for foreign account and ownership or for the purpose of being employed in the foreign trade, including the trade between the Atlantic and Pacific ports of the United States, after the passage of this act, may be imported in bond under such regulations as the Secretary of the Treasury may prescribe; and upon proof that such materials have been used for such purpose no duties shall be paid thereon. But vessels receiving the benefit of this section shall not be allowed to engage in the coastwise trade of the United States more than two months in any one year, except upon the payment to the United States of the duties on which a rebate is herein allowed: *Provided*, That vessels built in the United States for foreign account and ownership shall not be allowed to engage in the coastwise trade of the United States.

SEC. 2511. All articles of foreign production needed for the repair of American vessels engaged exclusively in foreign trade may be withdrawn from bonded warehouses free of duty, under such regulations as the Secretary of the Treasury may prescribe.

Mr. President, I will not go into the history of the decay of the shipping interest, but we shall never build ships in this country unless by some system such as England has adopted we encourage ship-building, or until the time comes, which I hope may never come, when American laborers will work in this country for the prices for which men work in Europe. When they do that, then we can build ships; but as long as we pay for that class of skilled labor twice as much as they pay in England, twice as much as they pay in France, we shall not build ships.

It is said by those who are opposed to the tariff that it does not increase the wages of laboring people, that all the advantage goes to the manufacturer; and yet they do not deny, nobody denies, that to-day a skilled laborer in almost any branch of business can get twice the amount of money here that he can get in Europe; and no one will deny the further fact that he, with one-half the money, can buy as many comforts in this country as his competitor abroad can buy with the money that he gets. Meats and butter and cheese and all that class of articles are cheaper in this country, and clothing that is worn by the class of men who labor is as cheap in this country as in Europe. I desire here to put in my remarks some extracts that I have here as to the wages of labor in this country.

Relative cost of labor in a woolen mill of 221 hands in Providence and of a similar mill in Bradford, England.

Operatives.	Providence.		Bradford.	
	Per week.	Total.	Per week.	Total.
Forty-five small boys and girls, fourteen years old	\$3.25	\$146.25	\$1.50	\$67.50
One hundred and four small boys and girls, eighteen years old	5.25	546.00	2.50	260.00
Fifty boys and girls, twenty-one years old	6.00	300.00	3.00	150.00
Six section hands	13.50	85.00	7.00	42.00
Two overseers	24.00	48.00	9.00	18.00
One superintendent	36.00	36.00	15.00	15.00
One boss dyer	30.00	30.00	10.00	10.00
Eight laborers in dye-house	7.00	56.00	4.50	36.00
One watchman	14.00	14.00	6.00	6.00
Two machinists for repairs	15.00	30.00	7.50	45.00
Two clerks	15.00	30.00	7.00	14.00
Total cost of weekly pay-roll		1,317.25		633.50

107.93 per cent. in favor of Providence operatives.

Machines and machinery.

Occupation.	Weekly wages.	
	United States.	England.
Blacksmiths	\$15.50	\$8.25
Blacksmiths, helpers	10.50	3.60
Blacksmiths, y. p.	3.00	2.20
Boiler-makers	13.75	7.75
Core-makers	14.00	7.75
Engineers	13.75	7.75
Finishers	11.00	8.75
Firemen	9.00	4.50
Furnace men	12.60	6.75
Helpers	9.00	5.50
Holders-on	10.25	5.00
Laborers	9.30	5.00
Machinists, men	13.00	8.00
Machinists, app. m.	8.50	3.25
Machinists, app. y. p.	6.00	1.75
Machinists, helpers	9.00	5.30
Molders	15.50	8.75
Pattern-makers	14.60	8.40
Riveters	15.75	7.50

Metals and metallic goods.

Occupation.	Weekly wages.	
	United States.	England.
Burnishers, men	\$15.00	\$7.25
Core-makers, m.	14.00	7.50
Engineers	12.75	8.50
Finishers	14.50	7.00
Fitters	15.00	9.00
Forgers	12.75	9.50
Furnace men	11.50	6.75
Grinders	12.00	7.75
Hafters	12.00	6.00
Hafters, y. p.	3.75	2.50
Hammermen	24.00	5.75
Hammermen, helpers	11.00	6.75
Lacquerers, w.	4.50	2.25
Molders, m.	15.60	9.50
Molders, y. p.	10.30	3.20
Pattern-makers	17.00	9.00
Smiths	17.25	6.25

Weekly wages of compositors in the United States and Great Britain.

Great Britain, nine hours per day.		United States, ten hours per day.	
London	\$9.00	New York	\$18.00
Liverpool	9.00	Philadelphia	16.00
Manchester	8.72	Chicago	16.00
Dublin	8.24	St. Louis	16.90
Glasgow	8.24	Cambridge	15.00
Edinburg	8.00	Boston	15.00
Belfast	7.48		

Mr. Duncan writes: "For work done by the week, in all classes of work, American wages are as nearly as possible double those paid in Great Britain."

If it is not true that the American laborer gets better pay, gets better compensation for his labor, than any other laborer in the world, why is it that since 1860 there have come to this country 9,129,945 foreigners? Why have they come? Why have

they sought this region if it is not to better their condition? They are laboring people. They do not flee entirely from bad government, and they do not come, as it is frequently said here and elsewhere, to get our cheap lands. Why should more than 700,000 Canadians, with cheap land in Canada, come to the United States? They do not come for that purpose at all. Where do they go when they come? They go to the manufacturing States and the manufacturing cities, where labor is compensated, where it is well paid. I have before me the census reports showing where they go. Of the 6,679,943 foreigners in the United States in 1880, how many were found in the State of Alabama? Nine thousand seven hundred and thirty-four. In Arkansas only 10,350. Does anybody say that Arkansas and Alabama do not present an attractive field for the agriculturist? Texas only had of this great number of people a comparatively few, 114,616 only. Examination of the report will further show that Boston had 114,000 of them; that Massachusetts, without any agricultural grounds for them, had 443,491; that Baltimore had 56,136; that St. Louis had 105,013; and New York had 478,694.

The junior Senator from Georgia the other day complained of the destructive influence the tariff had on the farmers, and he cited the fact that Georgia had less property in value to-day than it had in 1860. That may be correct according to the statements made here taken from the census, and yet I do not suppose that anybody believes that is true, that the wealth of Georgia is not greater to-day than it was in 1860. What could have made it poorer? It is true there was a destruction of its system of labor twenty-five years ago, but the labor was left, the land was left; everything that was necessary to make a State was there; and if the people of Georgia are poorer to-day than they were in 1860 it is not to their credit. The cotton that they raise brings more money than it brought before the war, year in and year out. If the Senator will take ten years prior to the war, he can not take any ten years since that which have not brought more money. If there is anything else that Georgia produces to sell, it has brought more money.

It is a misleading and deceiving statement to say that Georgia is not worth as much now as in 1860. Of course if you count her able-bodied colored people at a thousand dollars a head, as they did before the war, and the children from \$200 up, it might make an aggregation of a good deal of wealth; but every colored man to-day is worth more to Georgia than he was before the war. There are greater elements of strength in Georgia to-day than there were before the war. She can make an "Empire State" of herself, as she has chosen to call herself for many years, much more readily with free labor than she could with slave labor.

I repeat, everything is there, the labor is there, the land is there, the sunshine and the rain are there; and if the people of Georgia (if I may say it without offending anybody) would cease to whine and complain of their condition and address themselves like men to solving the question whether Georgia is to be a fifth-rate State or a good one, we should not hear these complaints here or elsewhere.

Mr. President, I do not propose now to go further into the details of this question, because I know my friend from Iowa [Mr. ALLISON] is getting impatient. Many things that I should like to say I shall omit now, and perhaps say on another occasion. When you take the last twenty-five years of our history, when you examine it everywhere, no man, high or low, is justified in speaking of the system of political economy which has wrought out such great results as have been wrought out in our case as a vicious, illogical, or inequitable method. We have progressed faster than any other people in the world. Will the Senators who talk about free trade point me to a nation on the earth that has accumulated money as we have accumulated it? Will they point to a nation in the world where labor is so well paid, where it is so much respected, where every avenue of progress, every avenue of honor, of preferment, and of distinction is open to the laborer as it is here, where the people have engaged in such magnificent enterprises and accomplished them, where the great charities have been managed and kept alive as nowhere else? Why, Mr. President, we have sent relief abroad to suffering Ireland, and we have sent it to other nations of the world. The missionary people in this country send more than \$6,000,000 a year to the heathen; and the laboring girls who work in kitchens and the boys who work in stables every year send to Ireland more than \$15,000,000 to save their kindred from the effects of free trade in Ireland; and as is suggested to me by the Senator from Vermont [Mr. EDMUNDS], their own condition is 100 per cent. better than it ever was anywhere else, or than is that of their kindred at home. More than

three and a half millions of Englishmen, including Irishmen in the number, have sought an asylum in this country and are here. Do you want to apply English methods, to put your labor where the English put theirs? If they are better off there, why do they not stay there, why do they come here, and why are they coming here whenever they can, and why is it that they never return?

Oh, Mr. President, I know that the Cobden Club sends out a great many articles to show that we should be benefited by having these people turn their attention to their own home country. Let them do something for their own subjects in Ireland, where the people have been reduced some millions from what they were, and poverty and distress pervade every stage of society save the landlords, and see what they can do there. If there was time I should like to go on and show the condition of Great Britain. I should like to show that every thirty-third man there is a pauper, and in some of their great cities every fifth man is the object of public charity. They pay in Great Britain two and a half times more to support their paupers than they do to sustain their public schools. And yet we are told that the American laborer should adopt English methods; and that we should open the door so that the products of English labor may come here and compete with ours. Nay, Mr. President, not only the English laborer, but the laborer of India, the laborer of China, the laborer of Japan, the pariah of India who pays for labor to cultivate his field 6 cents a day—he is to be put in competition with American labor. The Chinaman, who works for 6 cents a day, is to be put in competition with American labor; the Japanese, who considers himself most magnificently paid if he gets 15 cents for fifteen hours' labor, a cent an hour, is to be put in competition with American labor.

Mr. President, we are told that we can compete with the world. So we can if we live as those people live. So we can if we adopt European methods; if we live without meat, without butter, and without milk; if we live as they do in London, six families in one room; where, as Mr. Chamberlain said, tens of thousands never know the luxury of milk. As laboring people we eat three times more meat than European people. We wear better clothes and spend more money on ourselves and our children as laboring people than any other people in the world; while as laborers we get more money in proportion to the payment of a dime than any other people in the world.

A distinguished Englishman, when comparing American laborers with English, said: "Where the American laborer gets 72 per cent., capital gets 23 per cent., and Government gets 5 per cent., our laborer gets 41 per cent., capital gets 36 per cent., and Government gets the balance." That is the English testimony. We get the bulk of what is paid out in manufactures. All manufactures are made up principally of labor. In some cases it is nearly all labor, 90 or 95 per cent., and on an average 80 per cent. of everything manufactured is labor, if you follow into computation the labor put upon what is called raw material.

Mr. EDMUNDS (in his seat). There is no raw material.

Mr. TELLER. A Senator suggests in my hearing that there is not any raw material. There is very little that can be called raw material. It is said, I believe, by those who are now advocating this message that wool is raw material. The farmer in Ohio does not believe that it is raw material. It has cost him care, it has cost him money, it has cost him attention to get it from the sheep's back. It is to him something more than a raw material. So you may say of everything else.

But, Mr. President, there is no time to go into that to-night, for I promised the Senator from Iowa that I would quit sometime, and I propose to try to keep that promise. On some other occasion I may touch upon the question of raw material. I should like to touch upon some other questions in connection with our history as a people, and in connection with our progress.

However high the man may be, however much power there may be back of him who assails this system as "vicious, inequitable, and illogical," I am not ashamed to point to the glorious results of twenty-seven years of experiment and to show that it is neither vicious, nor illogical, nor inequitable, but that it has brought to the people of this country a prosperity, a richness, a contentedness, and a glory that no other system has brought to any other people in the world.

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